

Fee for Service Rate Methodology Workgroup

MEETING NOTES

Date: March 21, 2006 (Tuesday)
Time: 1:00 p.m. – 3:00 p.m.
Where: Capitol Common - Conference Room E
400 S. Pine
Lansing, MI 48933
Attendees: Michael DeVault, Bruce Elkins, Bud Ferguson, Linda Garvin, Toni Hornberger, Tammy Hurlbert, Sean Huse, Ed Kemp, Thomas Koepke, Terry Latimer, Maryann Lorkowski, Kathy Merry, Liz Patrick, Susan Powell, Robert Readler, Jane Reagan, Jeff Siegel, Michelle Simmons, Linda Sowle, Dave Stirdivant, Toni Sturgis
Handouts: CMS Comments on Michigan SPA 2-14-06
PCG Medicaid Health Service Cost Calculation
PCG ICR Handout
Notes from CMS Conference Call

Highlighted areas are tasks to be completed prior to next meeting.

➤ CMS Call Update

- A conference call was held with CMS Local, Regional and Central office staff 3/15/06 to discuss Michigan's State Plan Amendment.
 - Miscellaneous issues:
 - CMS indicated that the standard procedure now when State Plan Amendments (SPAs) are submitted is to review all companion parts of the State Plan.
 - Michigan's SPA came under review because our program was funded with Certified Public Expenditures (CPEs).
 - Leadership at CMS has taken the position that for all pending SPAs they want to see resolution by the end of the current State's fiscal year.
 - CMS ask if we would like to put sunset language in the SPA 04-02 to indicate that if the new process was not compliant by 10/1/06 that our FFP would be sunset. **The State declined to do this.**
 - CMS indicated that leadership there intends to put out policy (probably in the form of Dear State Medicaid Director letters) to describe the requirements for utilizing CPEs and that states that are not compliant within the close of their current fiscal year will risk losing FFP.
 - Coverage:
 - CMS has determined that the coverage sections of the State Plan must be reviewed prior to their review of the reimbursement sections. Since they feel that the coverage drives the reimbursement.
 - If Michigan moves coverage under EPSDT:
 - Coverage will be lost for those students from age 21-26
 - Services cannot be limited to the school setting but schools can elect to serve only students with IEPs.
 - Providers
 - If there are federal regulations in place the providers must meet or exceed the requirements of the federal regulation.

➤ PCG Non-ICR Administrative Expense

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- MDCH and PCG feel that the portion of the non-ICR administrative cost associated with function code 241 (Office of the Principal), fund codes 11 & 12 should be allowable in the cost base.
- It is allowable under OMB A-87 and it parallels medical directors etc. whose costs are currently allowable in other Medicaid settings (i.e. hospitals, clinics).

➤ **Policy Promulgation Timeline**

- In order to have policy take effect by 10/1/06 we must have the policy written and begin initial review by 7/1/06.

➤ **Medicaid ICR Update**

- We still have no update from Helen on the Medicaid specific Indirect Cost Rate.
- Liz Patrick will check with Helen McNamara on this issue.

➤ **FERPA Issue Update**

- All ISDs do the parental consent differently.
- Department of Education needs to initiate action.
- Jane Reagan will touch base with the AGs and get them up to speed on the issue.

➤ **Open Issues**

- Provider Equivalencies
- Moving State Plan pages to a different section of the State Plan
- State Plan Amendments for reimbursement and coverage
- RMTS Pilot for Personal Care and Targeted Case Management
- Medicaid Specific ICR
- FERPA Issue
- Eligibility Match Process
- SE-4096 modifications and instructions
- Transportation utilization factor calculation
- Transportation ridership calculation

➤ **Next Steps for MDCH**

- Respond in writing to the CMS questions received 2/14/06.
- Work on State Plan coverage sections so that they can be reviewed.
- Draft provider equivalency memo for review

➤ **Next meetings:**

- April 18, 2006 1:00-3:00
- May 23, 2006 1:00-3:00
- June 20, 2006 1:00-3:00
- July 25, 2006 1:00-3:00
- August 22, 2006 1:00-3:00
- September 19, 2006 1:00-
- October 24, 2006 1:00-3:00
- November 28, 2006 1:00-3:00